

Pension Talks Breakdown as NAG Management Try To Impose a 9% Pay Cut

Talks between Unite and NAG management have broken down over proposed changes to the Defined Benefit Pensions Scheme.

Background

Unite were informed by NAG management that they would need to make changes to the Defined Benefit Pension Scheme. As you may know DB schemes have come under attack, both in the Public and Private Sector over the last few years as employers try to contain the cost of their schemes and manage increasing deficits.

In NAG the main reason put forward for the changes to your scheme is that there have been lower than expected returns on investments coupled with the much talked about increase in life expectancy of the scheme members which puts a strain on the fund. However, what the management have not told you is that for many years, up until 2005, NAG chose to take a pension holiday. This means that your employer did not pay any contributions into the DB Scheme at all for a period of time, the reason for this is that the scheme was in substantial profit at the time, by stopping all contribution's allowed NAG to avoid a huge tax liability.

This is not the only reason why the scheme has a massive deficit but NAG cannot continue to blame the economic crisis for the deficit.

One thing is very clear, it is the loyal hard working employees that are now being asked to pay for this.

What Progress has been made?

NONE - When we last communicated with you in June we reported to that the deficit was over £300 million we have now been informed that this has increased to £555 million. Unite find this astonishing given the fact that three years ago the scheme was in **profit**. We know that the company continues to make substantial profit.

What does this mean for Unite members?

At a meeting on the 24th August the Bank informed Unite that in order to reduce the deficit members will have to make contributions reaching 9% over the next 3 years in order to retain the same benefits that you expect to receive when you retire. NAG would not listen to any other options Unite suggested all of which would have mitigated the impact of these proposals - this is why it is imperative that we all stand united in our fight back to stop NAG imposing its proposals.

We know that most of our members are low paid workers and will not be able to afford to pay the amount that is being asked from NAG, it also means that members of the DB scheme essentially taking a pay cut of 9% over the next 3 years OR it means that members would have to receive an average pay rise of 8.5% every year for the next 3 years just to cover the cost of living and pension contributions. We all know that the chance of that happening is ZERO.

The fight back begins

You will by now have seen the letter that has been sent out to you by your employer informing you that a 60 day consultation period will begin. During this time Unite will be asking you, our members, to carry out a number of activities in order to ensure that your voice is heard.

Activity 1

At a meeting of the NAG Unite National Committee it was agreed to hold a consultative ballot to see if members are prepared to be formally balloted to take part in some form of action. This will be determined by the NAG National Committee and supported by the Unite Executive Council if no agreement can be negotiated. This will be our last resort so we urge you the members to support this so we can fight to preserve your benefits.

To assist in this can you ensure that all of your details are up to date i.e. name, address private email address and telephone numbers. Please complete the enclosed form and return it in the pre paid envelope, by Friday 28th October 2011.

Activity 2

Enclosed is a draft email that you can send to the CEO to voice your concerns regarding the company's proposals and what they are trying to impose on loyal hard working employees. The more feedback sent to the company the harder it will be for them to ignore you. This must be done as soon as possible. Please copy in the union when you send your email, our address is at the bottom of the newsletter.

Contact Details

Did you know that you can find out more about Unite in NAG on Brian by clicking the "my Career" tab at the top of your business unit home page, scroll to and click on the Unite logo from there you can access details of Unite workplace Reps in NAG.

If you have any queries, please contact:

Patricia Prior - Senior Rep (Scotland)
Mobile: 07712 790554
Email: Patricia.Prior@eu.nabgroup.com

Sally Hill - Senior Rep (England)
Mobile: 07712 790548
Email: Sally.Hill@eu.nabgroup.com

If you are sending a copy of your email that has been sent to the CEO please send it to nag@unitetheunion.org

Should you know of any non members who would like to join the UK's biggest Union please tell them to go to www.unitetheunion.org or call the Recruitment hotline Free on 0330 123 3003

John Nolan, UNITE National Secretary
Tel: 0845 601 06537

www.unitetheunion.org